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‘Keywords, case law and the Court of Justice: the need for legislative intervention in modernising European trade mark law’

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Abstract:

Recent preliminary references to the CJEU on online keyword advertising and registered trade mark infringement have exposed the challenges facing EU registered trade mark law in its response to new technologies. These cases and the challenges they pose provide a timely prism through which to examine the European trade mark law-making process and the role of the CJEU within that process. This article will employ an analysis of the way in which the CJEU has developed certain key new aspects of the law on ‘infringing use’ to explore concerns over the CJEU’s role and approach. It will be argued that, driven by policy considerations, the CJEU has acted creatively to develop the law of infringement in ways which cannot be sustained by the TMD and CTMR and which are likely to cause increasing uncertainties going forward. With the European Commission currently considering reform of Trade Marks Directive 2008/95/EC and Community Trade Mark Regulation 207/2009/EC, this paper will argue that there is a need for more comprehensive and forward-looking legislative intervention than has yet been proposed and that such intervention will be essential to restoring balance in the European trade mark law-making process.

Keywords: trade marks; keyword advertising; Court of Justice

Introduction

The Trade Marks Directive (“TMD”), approximating EU national registered trade mark laws, was first enacted in 1988; the Community Trade Mark Regulation (“CTMR”), creating the unitary Community Trade Mark, followed in 1993.¹ In all this time, however, aspects of trade mark infringement have remained highly contested. Claims relating to referential use of a mark, identifying the goods or services of its owner, and for damage to branding, rather than to the mark as an indicator of origin, remain particularly controversial.

European trade mark law now also faces increasing challenges from new technologies, particularly the Internet. From a trade mark perspective, the key commodity exchanged online is information. According to research referenced by the European Commission, half of Europeans using the Internet do so to search for information before buying on- or offline.² Searching against a trade mark allows Internet users to find sources of goods or services, product or price comparisons, reviews and alternative or complementary offerings. This can increase consumer choice and competition, but undermine a trade mark owner’s efforts to protect his brand. In the online environment, expansive trade mark protection collides with increased scope for communicating with consumers, exacerbating tensions between infringement, control of information and the role of trade marks as important points of reference for consumers, competitors and third parties.

The recent wave of preliminary references before the Court of Justice of the European Union (“CJEU”) on trade mark infringement and keyword advertising, from the three joined cases of *Google France* in early 2010 through *BergSpechte*, *Eis.de*, *Portakabin* and *eBay* to *Interflora* in late 2011, exemplify the challenges posed by these developments.³ Between them, the keywords cases examined the liability of the search engine and advertiser in relation to the reservation of a registered mark as a keyword without the trade mark owner’s consent. Attitudes of national courts had varied considerably and there was a pressing need for clarity, particularly given the importance of keyword advertising revenues to search engine business models.⁴

There are, however, real difficulties in applying the TMD and CTMR to keyword advertising, inherited both from their drafting and from CJEU case law. The CJEU has been exceptionally active in trade mark law, giving judgment in over a hundred preliminary references involving trade marks. Although under Article 267 of the Treaty on the Functioning of the European Union (“TFEU”) and its predecessor Treaty provisions the Court’s role is to ‘interpret’ the TMD and CTMR, its trade marks case law has at times attracted concerns that its judgments are, in effect, ‘invention in the guise of interpretation’.⁵

Analysis of the way in which the CJEU tackled the keywords cases provides fresh insight into the present state of law-making in the European trade mark regime and its response to the challenges of new technologies. This paper will explore concerns over the CJEU’s role in that law-making process, focussing on two particularly important and controversial issues at stake: first, locating and allocating responsibility for infringing ‘use’ of the disputed mark; and second, determining whether there is damage to the mark’s ‘functions’ for the purposes of Article 5(1)(a) TMD infringement, the detail of which is explained further below. Ultimately, the infringement claims failed against the search engine, but remain open against the advertisers. Whatever view taken of the merits of this outcome, this paper will argue that the way that these issues were dealt with by the CJEU reveals a concerning level of judicial creativity by the Court. It will be argued that, driven by policy considerations, the CJEU has developed the law of infringement in ways which cannot be sustained by the TMD and CTMR.

This results in uncertainties likely to trigger more references to the CJEU and, in turn, further judicial creativity in response. The European Commission is currently considering amendment of the TMD and CTMR; this paper welcomes this, but argues that legislative intervention on infringement must extend beyond the proposals in the ‘Study on the Overall Functioning of the European Trade Mark System’ prepared for the European Commission by the Max Planck Institute (‘the Max Planck Study’) in order to seize this important opportunity to modernise the law in a way which will also restore balance in the European trade mark law-making process. ⁶

Issue one: infringing ‘use’ – who, what, where, when?

Google France: the questions referred and the Court’s response

The first step in every trade mark infringement claim is identification of the allegedly infringing ‘use’ of the disputed sign. This act of ‘use’ constitutes, to adopt the language of intellectual property litigation, the ‘infringing act’ to which liability will attach if the other requirements for infringement are met. For all forms of infringement in the European regime, there must be ‘use’ of the infringer’s sign in relation to goods or services ‘in the course of trade’. ⁷ A non-exhaustive list of acts constituting ‘use’ is provided at Article 5(3) TMD. ⁸ Properly locating the act of infringing ‘use’ is essential to determining the nature and basis of the claim, parties, jurisdiction and remedies.

In the non-digital world, this had not presented any particular legal difficulties. This changed, however, with the complexities of keyword advertising. In keyword advertising, an advertiser contracts with a search engine provider for a ‘sponsored ad’, consisting of hyperlink, Internet address and short promotional text, to appear on-screen at the same time as the provider’s natural results if the chosen keyword is entered as a search query by an Internet user. In most cases referred, the ‘sponsored ads’ themselves were lawful marketing, not mentioning the disputed mark, for legitimate goods and services. There is typically no limit to the number of advertisers who can ‘reserve’ the same keyword, priority between their advertisements determined by the amount paid.

While advertisers including disputed signs in their on-screen advertisement clearly ‘use’ those signs in a classic sense, it was less clear whether and, if so, how there is ‘use’ of the sign by an advertiser who simply contracts with the provider for an otherwise infringement-free advertisement to be displayed in response to the inputting of the disputed keyword by an Internet user. At the same time, while the provider clearly ‘uses’ the sign in a technical sense in processing search inputs, matching them against stored keywords and displaying advertisements in the event of a match, such activities are ‘invisible’ and result in the display of content provided by the advertiser which may not mention the trade mark at all. To complicate matters, in *Google France* the defendant, Google, had itself suggested some of the disputed keywords, including combinations with words such as ‘imitation’, ‘replica’ and ‘copy’, by an automated tool called the ‘keyword generator’. This listed keywords reserved by others and the traffic generated by them, allowing prospective advertisers to identify keywords likely to produce useful returns. So, while Google was in some instances passive in accepting keywords nominated by advertisers, in other instances it proactively suggested them, albeit on an automated basis.

In *Google France*, the referring court, the French Cour de Cassation, characterised the potential ‘infringing acts’ of the provider which it wanted the CJEU to analyse in language covering both the passive and proactive aspects of Google’s service, asking whether there was infringement in

‘mak[ing] available’ keywords to advertisers and/or ‘arrang[ing] by the referencing agreement to create and favourably display’ advertising links on the basis of selected keywords.⁹ The CJEU, however, reformulated the questions referred and characterised Google’s role purely as a passive one in which the disputed keywords were ‘chosen by clients of the referencing service provider and *accepted and stored* by that provider’ (emphasis added).¹⁰ The CJEU then responded by introducing a new and hitherto unknown ‘own commercial communication’ test:

Although it is clear... that the referencing service provider operates “in the course of trade” when it permits advertisers to select, as keywords, signs identical with trade marks, stores those signs and displays its clients’ ads on the basis thereof, it does not follow, however, from those factors that that service provider itself “uses” those signs...

In that regard, suffice it to note that the use, by a third party, of a sign identical with, or similar to, the proprietor’s trade mark implies, at the very least, that that third party uses the sign in its own commercial communication. A referencing service provider allows its clients to use signs which are identical with, or similar to, trade marks, without itself using those signs.

That conclusion is not called into question by the fact that that service provider is paid by its clients for the use of those signs. The fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses the sign.¹¹

The CJEU immediately concluded, without further discussion, that ‘a referencing provider is not involved in use in the course of trade’, whereas the advertisers were.¹²

The new ‘own commercial communication’ test – what are the difficulties and what do they reveal?

The CJEU did not follow the Advocate General, who concluded that the disputed signs were ‘used’ by Google.¹³ The CJEU’s ruling has been welcomed by commentators.¹⁴ Concerns had been, and continue to be, expressed about the implications of over-extension of trade mark law into the field of Internet search and the potential chilling effects if search engines face liability for keyword-triggered or, worse, natural search results.¹⁵ The references also had wider implications for other on- and offline scenarios and intermediaries.¹⁶

In creating the ‘own commercial communication’ test, however, the CJEU imposed new meaning on the word ‘use’ that narrows the previously well-accepted concept of ‘use in the course of trade’. This new meaning is not inherent in the natural reading of the word ‘use’. It cannot be justified on a literal reading of the TMD or CTMR, nor does the CJEU attempt this. There is, however, also no attempt by the CJEU to justify the ‘own commercial communication’ test purposively by reference to anything in the overall scheme or objectives of the TMD or CTMR or, indeed, on any other basis. There is no explanation for the new test at all. Instead, the CJEU simply ‘notes’ that it is ‘implied’. From what is not unexplained.

The brevity with which this major issue was disposed of by the CJEU and the absence of any justification for the new test raises suspicions of a policy-driven move to remove Google from

liability, rather than one grounded in the TMD or CTMR. Such suspicions are lent support by the shortcomings of the new test which quickly become apparent on further examination of *Google France* and the somewhat selective re-use of this test by the CJEU in subsequent cases.

For example, a requirement that an infringing use must be in the defender's 'own commercial communication' conflicts with the CJEU's previous case law making it infringement to use a mark not only in relation to the defender's own goods and services but also those of third parties.¹⁷ Even applying the new test it is hard to see how the CJEU could have concluded that there was no 'use' of the disputed signs by Google as a referencing provider. Reformulating the questions referred to focus only on Google's passive activities led the CJEU to ignore the keyword generator for infringement purposes. This tool - intended to maximise uptake of the 'Adwords' service - must surely go further than merely 'creating the technical conditions' which are 'necessary' to enable keyword use by advertisers, constituting instead a 'commercial communication' by Google promoting its own services.¹⁸ The omission of this tool from the CJEU's infringement analysis sits uneasily with the Court's discussion, in the same case, of the provider's entitlement to protection under Article 14 E-Commerce Directive ('ECD'), in which the CJEU specifically identified the role played by Google 'in the establishment and selection of keywords' as one of several matters pointing away from entitlement to protection.¹⁹

The CJEU has also struggled to apply the 'own commercial communication' test coherently in subsequent preliminary references involving intermediaries. In *eBay*, the CJEU applied the test to find that eBay, as provider of an auction site platform, did not 'use' trade marks appearing in seller advertisements on that site.²⁰ In *Red Bull*, however, the CJEU did not mention the 'own commercial communication' test in assessing the liability of the provider of a drinks can filling service, sued for infringement in relation to the filling of cans bearing allegedly infringing signs. Instead, the CJEU ruled that the service provider did not 'use' the disputed signs *inter alia* because it merely executed a technical part of the production process 'without having any interest in the external presentation of [the] cans', its service was 'not, by its very nature, comparable to a service aimed at promoting the marketing of goods' and the provider was 'not apparent to the consumer, which excludes any association between its services and [the] signs'.²¹ This is hard to reconcile with *Google France* and *eBay*, where Google and eBay both had interests concurrent with their clients in the presentation of their clients' advertising, were involved in promotional activity and were clearly identifiable to consumers. The factors applied in *Red Bull* would have pointed towards, not against, findings of liability on their part. It is now not clear what are the relevant criteria, on- or off-line.

Such difficulties are also apparent in the CJEU's treatment of keyword advertisers. The CJEU made no attempt in *Google France* to explain what the advertiser's 'own commercial communication' is said to comprise. It is, however, not self-evident what, in simply purchasing a keyword, the advertiser is said to be 'communicating' or to whom. Recognising this, the Advocate General considered there to be no 'use' by the advertisers as their actions had no consumer 'audience'.²²

An opportunity subsequently arose in the *Interflora* reference to clarify how the actions of the advertiser are said to constitute infringing 'use', the English High Court having asked specifically whether such 'use' lay in the advertiser: selecting or nominating the relevant sign as a keyword; associating the sign with the URL of the advertiser's website; setting the cost-per-click which the advertiser is prepared to pay in relation to the keyword; scheduling the timing of the display of the keyword; or using the sign in correspondence with the provider about the invoicing, payment for and

management of its account. Again, however, the CJEU reformulated the question referred, merging it together with other questions forming part of the reference to read:

[T]he referring court asks, in essence, whether... the proprietor of a trade mark is entitled to *prevent a competitor from displaying* – on the basis of a keyword which is identical to that trade mark and which has been selected in an internet referencing service by the competitor without the proprietor’s consent – an advertisement for goods and services identical to those for which that mark is registered (emphasis added).²³

To rewrite the question in this way is unhelpful. The advertiser himself never ‘displays’ anything, nor is the act of ‘display’ within his control: he has no control over where or how his advertisement will appear on-screen and, if a ‘broad match’ option has been selected, he even has no prior control over when his advertisement is displayed.²⁴ The reservation of a keyword and the display of the keyword-triggered advertisement are separate acts.²⁵ Although the inconsistency with *Interflora* is not acknowledged, the CJEU itself has recognised this separation in its later *Wintersteiger* judgment, holding on the issue of identifying the ‘place where the harmful event occurred’ in a cross-border infringement claim that (emphasis added):

In the case of an alleged infringement of a national trade mark registered in a Member State because of the display, on the search engine website, of an advertisement using a keyword identical to that trade mark, it is *the activation by the advertiser* of the technical process displaying, according to pre-defined parameters, the advertisement which it created for its own commercial communications *which should be considered to be the event giving rise to an alleged infringement, and not the display of the advertisement itself*.²⁶

Having rewritten the question in *Interflora*, the CJEU immediately moved on to discuss trade mark functions (below) with no consideration given to the specific acts identified by the High Court. No mention is made of the ‘own commercial communication’ test even though this was clearly called for to respond to the reference.²⁷ Indeed, this test has not been mentioned again by the CJEU in any of its post-*Google France* decisions on keyword advertisers (*BergSpechte*, *Eis.de*, *Portakabin* and the keyword advertising limb of *eBay*). This is unusual given the CJEU’s habitual practice in trade mark cases of reciting at length its earlier case law. We are left with no explanation from the CJEU as to how the act of purchasing a keyword constitutes an ‘own commercial communication’, no way of reasoning by analogy to apply this test to other scenarios and a strong sense that the CJEU rewrote the question referred in *Interflora* to avoid the difficulties apparent in any attempt to reconcile this test with the reality of the keyword reservation process.

What are the broader issues underlying the CJEU’s approach to the ‘use’ requirement?

It has been observed by commentators that:

The Court sometimes... chooses to reformulate a question in such a way as to make it unnecessary for it to decide on controversial or doubtful questions of law.²⁸

In the keywords cases, CJEU appears to have done just this to avoid difficult questions the answers to which did not fit its overall conception of the allocation of responsibility for infringement.

The TMD and CTMR *prima facie* capture all acts of ‘use’ which take place in the course of trade, whatever the nature of the responsibility attaching thereto. The CJEU was, however, clearly of the view that, at a policy level, actionable responsibility should lie with the advertiser only and not the search engine. This ties into the broader question of whether trade mark infringement should cover what might more properly be regarded as secondary infringement.²⁹ Although discussed by the Advocate General in *Google France*,³⁰ the CJEU did not explicitly acknowledge this issue and instead manipulated the meaning of the word ‘use’ in an unspoken attempt to carve out acts equivalent to contributing to or facilitating infringement from the European trade mark regime. In so doing, however, it offered no justification – literal, purposive or otherwise – for reading such a carve-out into the TMD and CTMR, taking a one-sided view of the provider’s activities and struggling to articulate the basis upon which the advertiser as ‘primary infringer’ is liable.³¹

If we accept the CJEU’s policy objectives as valid, we must also accept that to achieve the clear-cut removal of Google from liability the Court was forced to innovate.³² There is no literal, purposive or other basis in the TMD or CTMR for removing any class of secondary-style infringers from liability. Indeed even if the desired outcome was the opposite, to find Google liable in all instances, the TMD and CTMR do not easily permit this.³³ This is not a case of judicial creativity to address an ambiguity or lacuna in the law: it is simply that the only outcome achievable without judicial innovation was one which was not clear-cut, with traditional analysis resulting in Google being possibly liable but only on certain bases depending on the facts of the case.

Google France is a blunt instrument, taking a markedly more dramatic approach than the ECD which does not provide intermediaries with any absolute defences. While there are clearly important interests in maintaining open Internet search, commentators have noted that it may be ‘dangerous’ to remove search engines completely from the scope of trade mark law.³⁴ In the meantime, we face fresh uncertainties on the issues discussed above and continued fragmentation of outcomes as it is left to non-harmonised national laws to determine whether there is any other form of liability against the provider, through national secondary liability rules or on other national law grounds. Given that national courts are also to decide the applicability of Article 14 ECD, the risk of divergence magnifies further in conflict with the Commission’s aim of developing a legal framework for intermediaries ‘which guarantees legal certainty’.³⁵

All of these factors highlight the need for clarification of the definition of infringing ‘use’ and for legislative intervention to tackle specifically and transparently the position of intermediaries in terms of trade mark infringement liability. The hasty construction in *Google France* of the ‘own commercial communication’ test and the subsequent difficulties encountered by the CJEU applying this test show how inapt it is to attempt to take on such issues within the guise of interpreting the current language of the TMD and CTMR.

Issue two: trade mark ‘functions’

Background – Article 5(1)(a) TMD

If an act constituting ‘use’ of a sign can be established, a claimant must go on to prove the remaining elements of an infringement claim. Having removed the search engine provider from the picture as discussed above, in the keywords cases the CJEU proceeded to address these elements in relation to the advertisers. Although not exclusively, the keywords cases have tended to focus on Article 5(1)(a)

TMD, the ‘core zone’ of protection,³⁶ which provides that it is infringement to use without consent in the course of trade a sign which is identical to the registered mark in relation to goods or services identical to those for which the mark is registered.

A key further requirement in Article 5(1)(a) cases is that the infringing act must be one which damages the so-called ‘functions’ of the registered mark. The ‘functions’ analysis of Article 5(1)(a) has its roots in the recitals of the TMD and CTMR and the CJEU’s judgment in *Arsenal*, where the Court held:

[T]he exclusive right under Article 5(1)(a) of the Directive was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions. The exercise of that right must therefore be reserved to cases in which a third party’s use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods.³⁷

Although mentioning the ‘functions’ of a mark in the plural in the passage quoted above, in *Arsenal* the CJEU focussed solely on damage to the ‘essential function’ of the mark as a ‘guarantee of origin’, which the Court held was affected if the infringer’s use of his sign was such as ‘to create the impression that there is a material link in the course of trade between the goods concerned and the trade mark proprietor’.³⁸ The ‘essential function’ aligns with ‘what is universally acknowledged to be the core of the way in which trade marks function: their ability to allow consumers to distinguish between the goods of different undertakings’.³⁹

Although the subject of much discussion in the literature and in Advocate Generals’ Opinions, for several years no CJEU judgment identified or gave protection to any other trade mark functions in the context of Article 5(1)(a).⁴⁰ This position changed dramatically, however, in 2009 when the CJEU revisited its ‘functions’ analysis in *Bellure*, holding for the first time that certain additional functions had their own independent protection under Article 5(1)(a) even if there was no damage to the ‘essential function’. The ‘functions’ protected under Article 5(1)(a) were said to include:

not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.⁴¹

In de-linking Article 5(1)(a) from damage to the ‘essential function’, *Bellure* extended the scope of protection conferred on all registered marks via Article 5(1)(a) very considerably. This extension of protection makes it a *prima facie* infringement to use a mark referentially to identify the trade mark owner’s own goods, even if not damaging the message of origin of the mark, if damage to any of the other functions is shown. Given that these other functions, particularly the ‘advertising’ and ‘investment’ functions, seem to protect brand-related characteristics, major concerns were expressed at the risk of stifling freedom of expression and free competition, potentially barring the effective and open flow of product or price reviews, comparisons or critiques relating to trade marked goods or services even if honest, accurate and useful to consumers. *Bellure* has been described as the ‘supernova’ which collapsed the registered trade mark into ‘a black hole that absorbs all the communication surrounding it’.⁴² It was against this highly charged backdrop that the CJEU came to

address, in *Google France* and *Interflora* in particular, whether the advertisers' use of marks in their keywords caused damage to any of the trade mark functions now protected by *Bellure*.

Google France and Interflora – defending and developing the ‘functions’ analysis

A significant problem for the CJEU in trying to deal with the new additional ‘functions’ in the keywords cases must have been the lack of detail in *Bellure*. The passage quoted above represents almost the sum total of the CJEU’s comments on the new protected functions. No explanation is given of how these particular additional functions have come to be identified, what each comprises or the rationale for their protection. All that is offered by way of justification for the ruling is a brief comparison of the scope of Articles 5(1)(a) and 5(1)(b) in light of the description in Recital 10 TMD of Article 5(1)(a) protection as ‘absolute’; unhelpfully, however, the CJEU’s view conflicts with the generally-accepted reading of that Recital.⁴³ Otherwise, in *Bellure* the CJEU identified no relevant provision in the TMD or CTMR identifying or implying the protection of these functions, nor any justification based on their overall scheme or purpose. This is problematic since the CJEU’s decision rides roughshod over the overall scheme of Article 5 TMD, the detail of which indicates that the legislator’s intention was that any protection for the ‘additional functions’ of a mark should be reserved only to marks ‘with a reputation’ entitled to protection under Article 5(2), the transposition of which into national laws was explicitly left as optional at the discretion of Member States.⁴⁴

Although *Google France* and the cases immediately thereafter made no attempt to revisit *Bellure*, the CJEU returned to this in *Interflora* having found itself in what the Advocate General called ‘a rather challenging position’ given the continuing criticism of *Bellure* from commentators and judges.⁴⁵ However, the CJEU’s defence of *Bellure* in *Interflora* does little to advance the legitimacy of the ‘additional functions’ in terms of grounding them in the TMD/CTMR, the Court effectively repeating at only slightly greater length the points made in *Bellure*.⁴⁶ We are therefore no better off in terms of understanding the justification for this extension of Article 5(1)(a) protection. This is unfortunate given the difficulty of applying new rulings to different scenarios without any clear sense of their rationale, not to mention the contentious nature of the claims against the majority of advertisers in the keywords cases who were, in effect, using the registered marks as keywords to target and thereby render more effective otherwise entirely lawful promotional activity, with possible benefits to consumers as well.

These difficulties continue into the discussions about the three particular functions considered in *Google France* and *Interflora*. The first function examined in the keyword context was the ‘essential function’. Although *Arsenal* (above) was well-established, in *Google France* the CJEU altered the test for damage to the ‘essential function’ significantly. This is said to be a question for national courts to assess taking into account that:

The function of indicating the origin of the mark is adversely affected if the ad does not enable normally informed and reasonably attentive internet users, or enables them only with difficulty, to ascertain whether the goods or services referred to by the ad originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party (see, to that effect, *Céline*, paragraph 27 and the case law cited)

such that there will be infringement where the advertisement, ‘while not suggesting the existence of an economic link’, is ‘vague’ to such an extent that Internet users cannot ascertain from the sponsored link and advertising message whether the advertiser and trade mark owner are linked.⁴⁷ In other words, silence may be enough to infringe in the absence of active disclaimer of a connection with the trade mark owner. This new test, effectively repeated verbatim in the subsequent keywords cases, constitutes a shift ‘from proof of likely confusion by the trademark owner to an obligation on all parties to secure market transparency when using keyword advertising services’, creating what has also been called a ‘novel duty of transparency’ which it will be difficult for advertisers to discharge.⁴⁸ However, the justification given by the CJEU for this change is non-existent: the case law cited by the CJEU in support (*Céline*) does not deal with the point in issue.⁴⁹ There is no wider attempt to justify this development textually, purposively or otherwise.

Although the CJEU in *Interflora* subsequently clarified that just because ‘some’ Internet users may have difficulty grasping whether there is a connection between advertiser and trade mark owner does not mean that infringement will necessarily follow, the CJEU has declined to answer any question referred to it relating to the effect on the ‘essential function’ of the on-screen positioning or labelling of sponsored advertisements.⁵⁰ There are many ways in which the search engine’s presentation of sponsored advertising could affect consumer understanding: not only in the positioning and labelling of sponsored advertisements, but also, for example, in any explanatory text or by the display of pop-up previews of the advertised webpages or similar functionality. Search engine providers can also control the width of functions equivalent to Google’s ‘broad-match’ tool. It appears that the CJEU has been careful not to embark upon consideration of any matters that might bring the provider back into the frame in liability terms: were any issues relating to positioning, labelling or similar explicitly part of the Court’s infringement analysis, the provider would inevitably be implicated as the entity which exclusively controls these features.

The two other ‘functions’ considered in the keywords cases were the ‘advertising’ and ‘investment’ functions. The approach here is also problematic. The advertising function is defined by the CJEU in *Google France* as the function of acting ‘as a factor in sales promotion or... an instrument of commercial strategy’ and the ‘investment function’ in *Interflora* as the function of ‘acquir[ing] or preserv[ing] a reputation capable of attracting consumers and retaining their loyalty’.⁵¹ Both of these definitions are vague and there is no attempt to provide any justification for either, whether from the language, scheme or purpose of the TMD or CTMR, case law or otherwise.

For both, it is also unclear when damage occurs. For the ‘advertising’ function, we are told in *Google France* that ‘certain repercussions’, not defined, are acceptable and that there is in any event no damage in keyword advertising because:

when internet users enter the name of a trade mark as a search term, the home and advertising page of the proprietor of that mark will appear in the list of the natural results, usually in one of the highest positions on that list. That display, which is, moreover, free of charge, means that the visibility to internet users of the goods or services of the proprietor of the trade mark is guaranteed.⁵²

This finding of fact on the ‘guaranteed’ visibility of the trade mark owner’s own website has been described as ‘staggering’.⁵³ In apparent response to such criticism, the CJEU in *Interflora* reiterated that there is no damage to the advertising function but this time on a differently-expressed basis.⁵⁴

We are left not knowing which of the two versions of the test for damage to the advertising function – from *Google France* or from *Interflora* – is to be applied, what are the implications of ‘non-visibility’ in natural search results or how damage to the advertising function is to be assessed in other contexts. Uncertainties also arise in relation to assessment of damage to the ‘investment function’, said in *Interflora* to be actionable if ‘substantially’ interfered with but not if only ‘some consumers’ switch to competitor products or if the defender’s activities merely make the trade mark owner ‘adapt its efforts to acquire or preserve a reputation capable of attracting consumers’, all matters which are left for the national courts to assess.⁵⁵ It is not clear why the ‘quality’ and ‘communication’ functions were not considered.

What are the broader issues underlying the CJEU’s approach to the ‘functions’ analysis?

It has been noted that:

Where, or to the extent that, a strongly teleological approach to interpretation predominates, it is the validity or soundness of the *teloi* that justifies the interpretation and the decision rather than the wording of the text and an attempt to decipher what it says.⁵⁶

While the CJEU has effected major developments in trade mark infringement through its case law in the past, those developments have been fully reasoned by the Court with a strong explanation of the basis for the decision in the language, scheme and purpose of the TMD and CTMR.⁵⁷ Unlike the difficulties over the term ‘use’ discussed above which stem from the TMD and CTMR themselves, the difficulties of the CJEU’s current ‘functions’ analysis flow from the lack of a clear *teloi* in its own judgment in *Bellure*. It has been suggested that the protection in *Bellure* of the new additional functions was motivated more by a wish to procure a finding of infringement in that case.⁵⁸ In such circumstances, it is hardly surprising that subsequent attempts to apply *Bellure* have strayed further into confusing judicial creativity.

In the ‘functions’ analysis, the CJEU has now departed so far from the language, scheme and purpose of the TMD and CTMR, making no attempt in *Google France* and *Interflora* even to refer back to these instruments in developing the new functions, that it is difficult to say that it is ‘interpreting’ them in these cases. It seems inevitable that case law building on these aspects of *Bellure*, *Google France* and *Interflora* will be similarly unfounded in the TMD or CTMR, creating a vicious circle of further uncertainty for market actors and national courts and further Article 267 references. This is highly concerning when the legal, economic and social policy justifications of expanding trade mark protection in this way are much contested.⁵⁹ In the meantime, the potentially damaging effects of these developments are magnified in the digital environment: the wider the range of different uses of a mark captured by Article 5(1)(a), the broader the types of information exchange which may be barred, from content on search engines and online market places to social networks, content-sharing sites, price comparison sites, review sites, discussion fora and blogs.

It is also hard to discern an overall direction in the CJEU’s approach to the ‘functions’ analysis in the keyword cases in terms of either promoting or regulating online information exchange. Outcomes are unpredictable – after all, unauthorised use of a trade mark in a competitor’s keyword, resulting in greater profile and exposure for the competitor’s advertisement, might well have been regarded the paradigm of damage to the advertising function. However, in reaching the opposite view, the CJEU

even went so far as to make findings of fact which are neither capable of being sustained by the evidence nor within the Court's mandate under Article 267. *Google France* and *Interflora* show a possible move, although by no means a clear one, to rein in some of the effects of *Bellure*, the difficult and overlapping rulings in *Google France* and *Interflora* on the 'advertising' and 'investment' functions appearing to stem from a desire to balance, at least to some degree, the different policy and stakeholder interests in keyword advertising but without the tools in Article 5(1)(a) to allow that balancing to be explicit and without, most importantly it would seem, reversing the *Bellure* decision; however, the concealing of these new and mixed normative directions within what purports to be an exercise of interpretation is unclear and unhelpful.⁶⁰ In the meantime, we are little wiser as to when these functions may be damaged and the new *Google France* test for damage to the essential function increases, rather than decreases, the risk of infringement for advertisers. There are already signs of divergence between Member States: the new *Google France* test of damage to the origin function of the mark has since been applied with strikingly different outcomes, with rulings against the advertisers in Austria and both for and against the advertisers in France, Germany and the Netherlands.⁶¹

The need for comprehensive and forward-looking legislative intervention

The two features of the keywords cases discussed in this paper – infringing 'use' and the 'functions' analysis – reveal two sides to the seemingly-intractable dilemma in which European trade mark law currently finds itself. On the one hand, it faces challenges arising from new technologies which the TMD and CTMR are simply not equipped to resolve in a clear-cut way. On the other hand, it faces unpredictable case law developments stemming from the CJEU itself but which, after *Interflora*, we cannot expect the CJEU to reverse.⁶²

It has been suggested that European trade mark law may be best developed by finding a greater role for the national courts, exercising restraint in referring questions to the CJEU and allowing more time for the law to develop across Member States.⁶³ It is submitted, however, that leaving matters to national courts – or even to the CJEU – is not a viable solution to the problems discussed in this paper. The keywords references have created many new questions, as well as leaving a number of issues to the national courts. The position on these various matters is not *acte clair*. All have the potential to generate further preliminary references, but it is not responsive to the needs of market actors to leave them hanging in what has been called the 'tyranny of the unknown' for as long as it may take for divergence to emerge at national level, be referred again to the CJEU, return to the national courts and for the cycle to continue.⁶⁴

It is, in any event, appropriate to see preliminary references as 'a mechanism for discourse between Member States, the CJEU, and the Union institutions'.⁶⁵ It is, of course, accepted that there are uncertainties as to future technologies, business models and consumer and infringer behaviours. As noted in the introduction to this paper, however, it is also clear that revision of the TMD and CTMR is on its way.⁶⁶ It is therefore essential to take this opportunity to ensure that that amendment of the TMD and CTMR is sufficiently comprehensive and forward-looking to modernise the law of infringement in a way which rebalances the law-making process, relieving the CJEU of the role of *de facto* legislator at the cutting edge of trade mark infringement.

The steps needed to redress this balance are only partially addressed by the Max Planck Study. Overall, the Study says surprisingly little about the Internet or the challenges of future technologies. The 'own commercial communication' test is not analysed and, while it is noted that '[i]t seems

obvious that all IP laws, whether at the European Union level or at the national level, should provide for harmonised rules for third-party liability', no specific proposals on secondary liability are made in view of the Commission's currently on-going review of the IP Enforcement Directive 2004/48/EC ('IPED'). At the same time, while the Study recommends reversing the extension of the 'functions' analysis in *Bellure*, it is proposed that an amended version of the currently optional protection under Article 5(5) TMD against uses of marks 'other than for distinguishing goods or services' be made mandatory in all national laws. It is also recommended that referential use of a mark in commercial communications referring to the trade mark owner's goods or in the context of commercialising such goods or services must be compliant with 'honest commercial practices', with new 'honest referential use' and 'fair use' defences proposed.⁶⁷

All of this goes at most only part of the way to resolving the issues discussed in this paper. As regards intermediaries, while the IPED does provide for no-fault injunctions against off- and online intermediaries to prohibit continuation of infringements committed using their services and, subject to Article 15 ECD and the balancing of certain factors, to prevent further infringements,⁶⁸ it does not deal with substantive intellectual property laws. Even with review of the IPED underway, if the definition of infringing 'use' and questions over primary/secondary liability discussed above are not addressed within amendment of the TMD and CTMR, the opaque position discussed in this paper and potential for consequent further references on these issues will persist. These matters therefore need to be resolved within the TMD and CTMR. Work to establish the preferred position should tie in with the Commission's current consultation on the ECD 'safe-harbour' provisions and the extent to which they should extend to search engines, auction sites, social networks and so on, the outcome of which could have an impact on the preferred approach to the TMD and CTMR.⁶⁹ Greater reflection, consultation and evidence is needed on the range of trade mark-related information disseminated online, how it is disseminated, perceived and acted on by Internet users and how intermediaries may become implicated at different levels, their interests in and control over the allegedly infringing activity and the nature and extent of their contributions to any damage caused.⁷⁰

As for the 'functions' analysis and related issues, it is not clear what would be the cumulative effect of the Study's proposals on infringement, the recommendation on Article 5(5) TMD needing particular evaluation given the risk of new adverse impacts.⁷¹ While it is to be expected that the Commission will, given its past submissions to the CJEU, endorse the recommendation to reverse the *Bellure* 'functions' analysis, thereby ending some of the difficulties discussed above, the Study's proposals do not tackle the fresh questions arising from the *Google France* test for damage to the origin function. This is despite its implications for far wider-ranging forms of online information exchange than just keyword advertising. This issue therefore also needs deeper examination, evidence-gathering and consultation in order to adopt an infringement test which resolves growing national divergence, is appropriate for the digital age and is capable of being applied across different scenarios in the future.

Conclusion

Through analysis of the keywords case law, this paper has examined the role of the CJEU within the European trade mark law-making process. It has been shown that, driven by policy considerations, the CJEU has acted creatively to develop the law of infringement in ways no longer supported by the TMD or CTMR and likely to cause continued future uncertainty and further preliminary references. It is contended that it is only by legislative intervention to tackle underlying policy questions and

issues which will clearly face trade mark infringement going forward that this cycle of uncertainty will be broken. This calls for broad consultation and evidence-gathering as a basis for more comprehensive and forward-looking legislative intervention than has yet been proposed in the current work on amendment of the TMD and CTMR. Such legislative intervention, which it is hoped will be forthcoming in the Commission's proposals, will be critical in restoring balance to the European trade mark law-making process.

¹ The TMD was fully implemented by all Member States in 1996 and the CTM system also began operating that year. The original version of the TMD, Council Directive 89/104/EEC, has been replaced by codified Directive 2008/95/EC and the original version of the CTMR, Council Regulation 40/94/EEC, by codified Regulation 207/2009/EC, both without substantive amendment. The provisions of the TMD and CTMR are consistent for all relevant purposes; for brevity, this paper will refer to relevant provisions of the TMD. All references to 'European trade mark law', 'trade mark law' and 'trade mark infringement' are to the TMD/CTMR regime.

² Commission Communication, 'A coherent framework for building trust in the Digital Single Market for e-commerce and online services', COM(2011) 942 final, Brussels, 11.01.2012, 8.

³ Reported, with Advocate Generals' Opinions where given, at: *Google France, Google Inc. v Louis Vuitton Malletier and Joined Cases* (Joined Cases C-236/08, C-237/08 and C-238/08) [2010] E.T.M.R. 30 ('*Google France*'); *Die BergSpechte Outdoor Reisen und Alpinschule Edi Koblmüller GmbH v Günter Guni* (Case C-278/08) [2010] E.T.M.R. 33 ('*BergSpechte*'); *Portakabin Ltd and Portakabin BV v Primakabin BV* (Case C-558/08) [2010] E.T.M.R. 52 ('*Portakabin*'); *L'Oréal SA and others v eBay International AG and others* (Case C-324/09) [2011] E.T.M.R. 52 ('*eBay*'); *Interflora Inc. and another v Marks & Spencer plc and another* (Case C-323/09) [2012] E.T.M.R. 1 ('*Interflora*'). *Eis.de GmbH v BBY Vertriebsgesellschaft mbH* (Case C-91/09) ('*Eis.de*') was decided by reasoned order dated 26 March 2010.

⁴ See generally: T. Bednarz and C. Waelde, 'Search Engines, Keyword Advertising and Trade Marks: Fair Innovation or Free Riding?', in *Law and the Internet*, eds. L. Edwards and C. Waelde (Oxford and Portland, Oregon: Hart Publishing, 2009); J. Cornthwaite, 'To key or not to key? The judgment of the European Court of Justice in the Google France Adwords cases' *European Intellectual Property Review* 32, no. 7(2010): 352-353.

⁵ Quoted from J. Bengoetxea *et al.*, 'Integration and Integrity in the Legal Reasoning of the European Court of Justice', in *The European Court of Justice*, eds. G. de Búrca and J.H.H. Weiler (Oxford: Oxford University Press, 2001), 43, reporting the views of Rasmussen and other writers on the CJEU generally. For similar criticism in the trade mark context, see: B. Trimmer, 'An increasingly uneasy relationship – the English courts and the European Court of Justice in trade mark disputes' *European Intellectual Property Review* 30, no. 3(2008): 87-92.

⁶ Commission Communication, 'A Single Market for Intellectual Property Rights', COM(2011) 287 final, Brussels, 24.5.2011, 8-9; 'Study on the Overall Functioning of the European Trade Mark System' presented by the Max Planck Institute for Intellectual Property and Competition Law, Munich, 15 February 2011 (http://ec.europa.eu/internal_market/indprop/tm/index_en.htm, last accessed 29 October 2012).

⁷ *Arsenal Football Club Plc v Reed* (Case C-206/01) [2003] 3 W.L.R. 450 ('*Arsenal*'), para 40, defining use 'in the course of trade' as use which 'takes place in the context of commercial activity with a view to economic advantage and not as a private matter'. There will be use 'in relation to goods or services' whether the sign is used to refer to the infringer's, the trade mark owner's or third party goods or services: *UDV North America Inc. v Brandtraders NV* (Case C-62/08) [2010] E.T.M.R. 25.

⁸ Article 5(3) TMD: ‘The following, inter alia, may be prohibited under paragraphs 1 and 2: (a) affixing the sign to the goods or the packaging thereof; (b) offering the goods, or putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder; (c) importing or exporting the goods under the sign; (d) using the sign on business papers and in advertising’.

⁹ *Google France*, note 3, paras 32, 37 and 41. See also Bednarz and Waelde, ‘Search Engines’, 292-293 (note 4).

¹⁰ *Google France*, note 3, paras 44 and 42. Google’s suggestion of disputed keywords was mentioned in the CJEU’s summaries of the cases referred, but not substantively discussed in relation to infringement.

¹¹ *Google France*, note 3, paras 55-57.

¹² *Google France*, note 3, paras 58-59.

¹³ Advocate General, *Google France*, note 3, paras AG39-AG40. He rejects the case against Google on other grounds: paras AG54-AG125.

¹⁴ For example: Casenote ‘TRADEMARK LAW – INFRINGEMENT LIABILITY – EUROPEAN COURT OF JUSTICE HOLDS THAT SEARCH ENGINES DO NOT INFRINGE TRADEMARKS – Joined Cases C-236/08, C-237/08 & C-238/08 *Google France SARL v Louis Vuitton Malletier SA*, 2010 ECJ EUR-Lex LEXIS 119 (Mar. 23, 2010)’ *Harvard Law Review* 124, no. 2(2010-2011): 648-655 (although this is not without criticism of the Court’s new test); M. Senftleben, ‘Adapting EU Trademark Law to New Technologies - Back to Basics?’ in *CONSTRUCTING EUROPEAN INTELLECTUAL PROPERTY: ACHIEVEMENTS AND NEW PERSPECTIVES*, ed. C. Geiger, (Cheltenham: Edward Elgar Publishing, 2011, accessed at <http://ssrn.com/abstract=1875629>, 29 October 2012), 17-18.

¹⁵ For example: Advocate General, *Google France*, note 3, paras AG70-AG74 and AG101-AG113; S. Dogan, ‘Trademark Remedies and Online Intermediaries’ *Lewis & Clark Law Review* 14, no. 2(2010): 468-471; S. Stalla-Bourdillon, ‘Uniformity v. Diversity of Internet Intermediaries’ Liability Regime: Where does the ECJ stand?’ *Journal of International Commercial Law and Technology* 6, no. 1(2011): 54.

¹⁶ The expression ‘intermediary’ is used in this paper in line with Articles 9(1)(a) and 11 Directive 2004/48/EC on the enforcement of intellectual property rights, to denote an entity whose services are used by a third party to infringe an intellectual property right.

¹⁷ Casenote, ‘TRADEMARK LAW’, 653-654 (note 14). See also *Brandtraders*, note 7 above.

¹⁸ In support of this view, see: Casenote, ‘TRADEMARK LAW’, 653 (note 14); Cornthwaite, ‘To key or not to key’, 356 (note 4); S. Stalla-Bourdillon, ‘Uniformity v. Diversity’, 53-54 (note 15). For a contrary view, see C. Morcom, ‘Trade marks and the Internet: where are we now?’ *European Intellectual Property Review* 34, no. 1(2012): 51. The issue does not appear to have re-opened by the national courts. The paragraph of the CJEU’s order in *Google France* dealing with the provider’s liability for trade mark infringement refers only to the storage of keywords and display of advertisements.

¹⁹ *Google France*, note 3, paras 114-119. See B. Clark, ‘ECJ decides in French Google Adword referrals: more seek than find?’ *Journal of Intellectual Property Law & Practice* 5, no. 7(2010): 480, noting that this may make Google more than merely ‘neutral’ for these purposes.

²⁰ *eBay*, note 3, paras 98-105. There was also a second limb to this case involving the purchase of keywords by eBay, discussed in relation to advertisers in the main text above.

²¹ *Frisdranken Industrie Winters BV v Red Bull GmbH* (Case C-119/10) [2012] E.T.M.R. 16 (*Red Bull*), paras 30 and 33.

²² Advocate General, *Google France*, note 3, para AG150.

²³ *Interflora*, note 3, para 27. *Interflora* was referred before the judgment in *Google France*, but this and other questions were maintained as the High Court felt that the position post-*Google France* was still unclear: *Interflora, Inc. and Another v Marks and Spencer Plc and Another* [2010] EWHC 925 (Ch).

²⁴ E. Goldman, 'Deregulating Relevancy in Internet Trademark Law' *Emory Law Journal* 54, no.1(2005): 541; S. Ott and M. Schubert, "'It's the Ad text, stupid": cryptic answers won't establish legal certainty for online advertisers' *Journal of Intellectual Property Law & Practice* 6, no. 1(2011): 30.

²⁵ Advocate General, *Google France*, note 3, paras AG55-AG56; Casenote, 'TRADEMARK LAW', 651 (note 14).

²⁶ *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH* (Case C-523/10) [2012] E.T.M.R. 31, para 34. Although the CJEU uses slightly less clear language in referring to 'the technical display process by the advertiser' (para 36), overall the CJEU highlights that it is the 'advertiser choosing a keyword' who uses it in the course of trade and that it is the 'actions of the advertiser using the reference service for its own commercial communication' which gives rise to infringement: para 35, emphases added.

²⁷ The CJEU refers only to the passage from *Google France* confirming that selection of the disputed keyword, as the 'means' used to trigger display of the advertiser's advertisement, is an act conducted in the context of commercial activity and not as a private matter and thus is 'in the course of trade': *Interflora*, note 3, para 30, referencing *Google France*, note 3, para 52.

²⁸ M. Broberg and N. Fenger, *Preliminary References to the European Court of Justice* (Oxford: Oxford University Press, 2010), 406.

²⁹ Discussed in, for example: S. Kulk, 'Search engines – searching for trouble?' *European Intellectual Property Review* 33, no. 10(2011): 607-612; Dogan, 'Trademark Remedies', 467-48 (note 15, with a US perspective); Stalla-Bourdillon, 'Uniformity v. Diversity', 54 (note 15).

³⁰ Advocate General, *Google France*, note 3, paras AG48-AG50, AG58 and AG114-AG125.

³¹ See also *Red Bull* where the CJEU held that the acts of the intermediary, the bottler, "may be attributed to [its] customer" but without explaining how: *Red Bull*, note 21, para 36.

³² Although Casenote, 'TRADEMARK LAW' (note 14) argues that *Google France* could have been resolved on traditional principles, this applies at most only to claims under Article 5(1) TMD, not Article 5(2) TMD. Even the Advocate General had to import overriding issues of freedom of expression and freedom of commerce in a novel way into his Article 5(2) infringement analysis in order to remove Google entirely from liability: *Google France*, note 3, paras AG102-AG113.

³³ The provider's services will typically be dissimilar to the goods and services of the trade mark owner and thus only actionable under Article 5(2) TMD by owners of marks 'with a reputation', but even then with some difficulty and potentially divergent outcomes on a case-by-case basis in terms of in proof of unfair advantage or detriment.

³⁴ J. Grimmelmann, 'The Structure of Search Engine Law' *Iowa Law Review* 93, no.1(2007-2008): 52 and 62. See also: Casenote, 'TRADEMARK LAW', 654-655 (note 14); Dogan, 'Trademark Remedies', 471 (note 15).

³⁵ *Google France*, note 3, paras 57 and 119; Commission Communication, 'A coherent framework', 13 (note 2).

³⁶ A. Griffiths, 'The trade mark monopoly: an analysis of the core zone of absolute protection under Art 5(1)(a)' *Intellectual Property Quarterly* 3(2007): 312-349.

³⁷ *Arsenal*, note 7, paras 50 and 51, referring also to the Court's earlier free movement of goods case law.

³⁸ *Arsenal*, note 7, para 55.

³⁹ I. Simon, ‘How does ‘essential function’ doctrine drive European trade mark law?’ *International Review of Intellectual Property and Competition Law* 36, no. 4(2005): 418.

⁴⁰ Compare Advocate General Ruiz-Jarabo Colomer in *Arsenal*, note 7, and Advocate General Jacobs in *Parfums Christian Dior SA and Another v Evora BV* (C-337/95) [1997] E.T.M.R. 323. The CJEU had alluded to other functions in other cases (e.g. *Evora*, see Simon, ‘Essential function’, 419 (note 39); and *Adam Opel AG v Autec AG* (Case C-48/05) [2007] E.T.M.R. 33, para 25) but had not specifically identified or granted protection to any such function in an Article 5(1)(a) claim.

⁴¹ *L’Oréal SA v Bellure NV* (Case C-487/07) [2009] E.T.M.R. 55 (*Bellure*), para 58.

⁴² M. Senftleben, ‘Trade mark protection – a black hole in the intellectual property galaxy?’ *International Review of Intellectual Property and Competition Law* 42, no. 4(2011): 384. For further concerns, see Jacob LJ in *L’Oréal SA and Others v Bellure NV and Others* [2010] E.T.M.R. 47.

⁴³ *Bellure*, paragraph 59. The reference to “absolute” protection in Recital 10 has more commonly been understood as deemed damage to the essential function: *LTJ Diffusion SA v Sadas Verbandet SA* (Case C-291/00) [2003] E.T.M.R. 83, para 49; Simon, ‘Essential function’, 414 (note 39); A. Ohly, ‘Keyword advertising or why the ECJ’s functional approach to trade mark infringement does not function’ *International Review of Intellectual Property and Competition Law* 41, no. 8(2010): 880; Senftleben, ‘Adapting EU Trademark Law’, 2 (note 14). For a slightly different view, see Morcom, ‘Trade marks and the Internet’, 52 (note 18).

⁴⁴ Senftleben, ‘Trade mark protection’, 385 (note 42); Senftleben, ‘Adapting EU Trademark Law’, 13 (note 14).

⁴⁵ Advocate General, *Interflora*, note 3, para AG8.

⁴⁶ *Interflora*, note 3, paragraphs 39-40.

⁴⁷ *Google France*, paras 84 and 90. Repeated in: *BergSpechte*, paras 35-36; *Portakabin*, paras 37-39; all note 3.

⁴⁸ See respectively: Senftleben, ‘Adapting EU Trademark Law’, 19 (note 14); and Ohly, ‘Keyword advertising’, 880 (note 43).

⁴⁹ *Datacard Corporation v Eagle Technologies Ltd* [2011] R.P.C. 17 (*Datacard*), para 263; T. Bednarz, ‘Keyword Advertising Before the French Supreme Court and Beyond – Calm at Last After Turbulent Times for Google and Its Advertising Clients?’ *International Review of Intellectual Property and Competition Law* 42, no. 6(2011): 660.

⁵⁰ *Interflora*, para 50; *BergSpechte*, paras 42-43; *Portakabin*, paras 34-35; all note 3.

⁵¹ Respectively: *Google France*, para 92; *Interflora*, para 60, both note 3.

⁵² *Google France*, note 3, paras 91-93 and 97.

⁵³ Ohly, ‘Keyword advertising’, 880 (note 43). See also: *Datacard*, note 49, para 271; Ott and Schubert, “It’s the Ad text, stupid”, 29-31 (note 24).

⁵⁴ *Interflora*, note 3, paras 42, 57-59.

⁵⁵ *Interflora*, note 3, paras 60-65.

⁵⁶ Bengoetxea et al., ‘Integrity’, 45 (note 5).

⁵⁷ See for example: *Arsenal*, note 7; *Davidoff & Cie SA and Zino Davidoff SA v Gofkid* (Case C-292/00) [2003] E.T.M.R. 42.

⁵⁸ Max Planck Study, note 6, Part III “Legal Analysis”: para 2.179.

⁵⁹A. Griffiths, *An Economic Perspective on Trade Mark Law* (Cheltenham: Edward Elgar, 2011); Senftleben, 'Adapting EU Trademark Law', 1-7 (note 14); N. Van der Laan, 'The Use of Trade Marks in Keyword Advertising - Developments in ECJ and National Jurisprudence' *Max Planck Institute for Intellectual Property & Competition Law Research Paper No. 12-06* (available at <http://ssrn.com/abstract=2041936>, accessed 29 October 2012), 8-13 and 24-25.

⁶⁰ See variously: Senftleben, 'Adapting EU Trademark Law', 14, 18 (note 14); Senftleben, 'Trade mark protection', 386 (note 42); Ohly, 'Keyword advertising', 880-881 (note 43); Van der Laan, 'The Use of Trade Marks', 24 (note 59).

⁶¹ Van der Laan, 'The Use of Trade Marks', 34-49 (note 59); Bednarz, 'Keyword Advertising', 663-667 (note 49); M. Schubert and B. Clark, "Wintersteiger" – Austrian Supreme Court refers jurisdiction question in Adword cases to the ECJ' *Journal of Intellectual Property Law & Practice* 6, no.5(2011): 288-290; B. Clark, 'Going bananas? Bundesgerichtshof decides Bananabay II' *Journal of Intellectual Property Law & Practice* 7, no. 2(2012): 84-86.

⁶² Senftleben, 'Adapting EU Trademark Law', 22 (note 14).

⁶³ G. Dinwoodie, 'Trade mark harmonisation – national courts and the European Court of Justice' *International Review of Intellectual Property and Competition Law* 41, no. 1(2010): 1-3. Other writers have also expressed support for development of the law on intermediary liability through case law (e.g. Stalla-Bourdillon, 'Uniformity v. Diversity', note 15). Dinwoodie argues that the CJEU has resisted the temptation to act as a *de facto* legislature in the keywords cases and refers to case law development in the US as a possible model. However, the extent to which analogies can be drawn between the case law development of EU laws and the laws of other systems are limited: P. Dyrberg, 'What should the Court of Justice be doing?' *European Law Review* 26, no. 3(2001): 295-296.

⁶⁴ J. Phillips, 'L'Oréal, eBay and the tyranny of the unknown' *Journal of Intellectual Property Law & Practice* 6, no. 10(2011): 671.

⁶⁵ T. de la Mare, and C. Donnelly, 'Preliminary rulings and EU legal integration: Evolution and stasis' in *The Evolution of EU Law*, eds. Craig and de Búrca (Oxford: Oxford University Press, 2011), 376.

⁶⁶ Note 6 above. See also the calls for legislative reform in: Senftleben, 'Adapting EU Trademark Law', 22 (note 14); Advocate General, *Interflora*, para AG9; A. Horton, 'The implications of L'Oréal v Bellure – a retrospective and a looking forward: the essential functions of a trade mark and when is an advantage unfair?' *European Intellectual Property Review* 33, no. 9(2011): 550-558.

⁶⁷ Max Planck Study, note 6, Part III "Legal Analysis", paras: 2.175, 2.202 and 2.219-2.220 on secondary liability; 2.160, 2.171, and 2.206-2.207 on the "own commercial communication" test; 2.179 and 2.184 on the *Bellure* 'functions' analysis; 2.221-2.222 on Article 5(5); and 2.180, 2.183, 2.225 and 2.259-2.266 on referential use and relevant defences.

⁶⁸ See: *eBay*, note 3, paras 125-144; *Scarlet Extended SA v SABAM* (Case C-70/10) [2012] E.C.D.R. 4; *SABAM v Netlog* (Case C-360/10) [2012] 2 C.M.L.R 18.

⁶⁹ See the consultation 'A clean and open Internet: Public consultation on procedures for notifying and acting on illegal content hosted by online intermediaries' (http://ec.europa.eu/internal_market/consultations/2012/clean-and-open-internet_en.htm, closed September 2012, last accessed 29 October 2012). Although not considered in *Google France*, Article 14 ECD should be applicable to ISPs facing trade mark infringement claims: Stalla-Bourdillon, 'Uniformity v. Diversity', 56 (note 15).

⁷⁰ For a detailed consideration of such issues and the role of appropriately tailored remedies from a US perspective, see Dogan, 'Trademark Remedies' (note 15), 467-489.

⁷¹ Senftleben, 'Adapting EU Trademark Law', 20 (note 14).